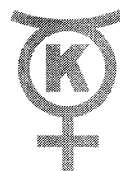


Kennecott Utah Copper Corporation  
P.O. Box 6001  
Magna, Utah 84044-6001  
(801) 569-6000

(801) 569-7120 (Phone)  
(801) 569-7192 (Fax)



**Kennecott**

Paula H. Doughty  
Director, Environmental Affairs

January 31, 2006

Ms. Susan White, Permit Supervisor  
Minerals Reclamation Program  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

Subject: Annual Reports for 2005, Kennecott Utah Copper Corporation

Dear Ms. White,

Enclosed are the completed annual reclamation report forms (1/1/2005 through 12/31/2005) for the following Kennecott Utah Copper Corporation (KUCC) DOGM permits:

M/035/002	Bingham Pit and UCD Modernization (Active)
M/035/011	4 <sup>th</sup> Line / Copperton Concentrator (Active)
M/035/015	North Impoundment / Saltair / Tailings (Active)
M/035/004	Pine Canyon Reclamation Project (Inactive)

As in previous year's reports, all disturbed and reclaimed acreage on the Magna Tailings Impoundment are reported under permit number M/035/002. There was no newly disturbed land generated through mining activities however there was some additional disturbed land related to Kennecott Land Company (KLC) soil removal activities.

In 2005, KUCC spent approximately \$3.2 million dollars on reclamation activities within the boundaries of permit M/035/002. After correcting for inflation, this equates to approximately \$1.3 million dollars spent in 1978 dollars using the GDP deflator inflation calculator. This far exceeds the requirements of permit M/035/002 "to expend a minimum average, excluding salaries, but not operating wages, of \$50,000 – 1978 dollars per year for each three (3) year period, in maintaining a program of

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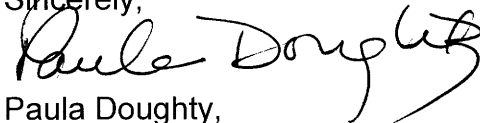
JAN 31 2006

DIV. OF OIL, GAS & MINING

experimentation and in the application of the best available technology toward rehabilitation of land associated with or affected by mining or processing operations." The total cost includes purchase of seed, fertilizer, limestone, application, surface preparation, operating wages, and demolition of historical facilities as well as costs associated with KUCC's experimental program. This number does not account for costs associated with KLC soil removal activities.

If you have any questions about these annual reports, please contact me at 569-7120.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula Doughty", with a stylized flourish at the end.

Paula Doughty,  
Director, Environmental Affairs

Cc: Doug Jensen (DOGM)

Reviewed  
2/16/06  
JH

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/2005 To (mo./yr.) 12/2005
2. DOGM File Number (Mine No): M/035/002
3. Mine Name: Bingham Canyon Mine
4. Mineral(s) Mined (or permitted to mine): Copper and associated metals
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):  
      1/4,       1/4,       1/4, Section       , Township       , Range         
      1/4,       1/4,       1/4, Section       , Township       , Range         
      1/4,       1/4,       1/4, Section       , Township       , Range         
  
Sections 7,8,9,10,11,17,18,19,20,21,30 & 32, Township 1S, Range 2W;  
Sections 9,11,12,13,14,15,16,22,23,24,25,26 & 36, Township 1S, Range 3W;  
Sections 4,5,9,10,11,14,15,22,23,27 & 33, Township 2S, Range 2W;  
Sections 7,17,18 & 19, Township 3S, Range 1W;  
Sections 4,8,9,13,14,15,16,17,19,20,21,24,25,28,29,30,31 & 32 Township 3S, Range 2W;  
Sections 11,12,13,14,15,21,22,23,24,25,26,27,33,34,35 & 36, Township 3S, Range 3W;  
Sections 6 & 7, Township 4S, Range 3W;  
Sections 1,2,3,11 & 12, Township 4S, Range 3W;
7. Name of Operator or Company: Kennecott Utah Copper Corp.
8. Permanent Street Address: 8362 W 10200 S  
City, State, Zip: Bingham Canyon, Utah, 84006  
Phone (801) 569-7120 Fax: (801) 569-7192E-mail: doughtyp@kennecott.com
9. Company Representative (or designated operator):  
Name: Paula Doughty  
Title: Director, Environ. Affairs

Business Address: P.O. Box 6001

City, State, Zip: Magna, Utah, 84044-6001

Phone: (801) 569-7120 Fax: (801) 569-7192 E-mail: doughtyp@kennecott.com

☐

Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? \_\_\_\_\_
3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. A total of 56.9 million short tons of ore was mined in 2005.
4. Briefly describe the type of work performed, during the past year. In addition to the volume of ore mined, a total of 98 million short tons of waste rock were produced at the Bingham Canyon Mine in 2005. All the waste rock was placed into existing disturbed areas (Bingham Canyon/Dry Fork) or in lifts on top of existing waste rock (East Side waste rock). Tailings disposal onto the Magna Tailings Impoundment ceased in late 2002, while active tailings disposal continued on the North Impoundment (M/035/015). Also within the permit boundaries, Kennecott Land Company continued to remove soils to the Copper Notch Repository and approximately 3 million cubic yards of soils have been removed to date.
5. How much **new or additional acreage** was disturbed during the past year? There was no new disturbance in 2005 related to mining activities. In 2005 waste rock disposal occurred on top of existing waste rock dumps and existing disturbed areas. An additional 212 acres will be reported as disturbed in 2005 compared to 2004. The disturbance is related to Kennecott Land Company activities and includes soils deposited at the Copper Notch Repository, Oquirrh Lake excavation (former South Jordan Evaporation Ponds) and haul roads. In 2004 only the disturbance related to the Oquirrh Lake excavation and Copper Notch was included in the disturbed area, while the disturbance related to haul roads was inadvertently missed. Total land disturbed by KLC related to mining activities by the end of 2005 is 355 acres (210 acres for Oquirrh Lake, 30 acres for the Copper Notch Repository and 115 acres for haul roads).
6. How much acreage was **reclaimed** during the past year? First time reclamation was performed on a total of 612 acres in 2005. 562 acres of new land reclaimed at the Magna Tailings Impoundment (first time seed) and 50 acres of new land reclaimed and seeded at the Mine (Highland Boy waste rock).
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). See Attachment A.
8. What is the **total disturbed acreage of entire project** at years end? There are a total of 10,260 disturbed acres. This is a net decrease of 400 acres compared with 2004. The total disturbed acreage is based on 10,660 acres of disturbed land at the end of 2004, minus 562 acres of first time reclamation at the Magna Tailings Impoundment, minus 50 acres of first time reclamation at the Highland Boy waste rock, plus 212 acres of reclaimed land redisturbed due to KLC land development activities.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year. During 2006, waste rock disposal will continue in Bingham Canyon and the Eastside waste rock disposal area, while a number of reclamation activities are planned (see Attachment B).

The 2006 reclamation activities plan will be submitted to the Division of Oil, Gas and Mining by February 27, 2006.

Maps of the Magna Tailings Impoundment are included which show 2005 year end seed (first time and re-seed) and biosolids and limestone amendments (Attachment A). The 2005 reclamation activities completed at the mine are shown on maps 454-T-0214, 454-T-0215 and 454-T-0216 contained within Attachment A.

10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

**NOTE:** Section III., "Additional Information" applies only to **large mining operations.**

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

**I hereby certify that the foregoing is true and correct.**

Name (Typed or Print): Paula Doughty

Title of Operator: Director, Environmental Affairs

Signature of Operator: Paula Doughty

Date: 1/31/2006

Jb  
o:\forms\reports\MR-AR

# **ATTACHMENT A**

Year End Completed Reclamation (2005)

The following is a description of reclamation work completed over the past year (2005) within the permit boundary (M/035/002).

## **WASTE ROCK**

### ***Upper Midas***

Over approximately 50 acres, 3000 seedlings were planted in an effort to vegetate some areas that were not successfully seeded in 2004 (in 2003 the areas was re-graded, contoured and ripped). Seedlings included Curl Leaf Mountain Mahogany, Austrian Pine, Quaking Aspen and Big Mountain Sagebrush. All planting work was performed during the fall. See drawing 454-T-0216.

Due to the limited success of Curl Leaf Mountain Mahogany from the seed mix an experimental test plot was established in order to evaluate influence of container type along with success of Curl Leaf Mountain Mahogany as containerized plantings. Approximately 900 seedlings were planted in spring 2005 and monitored in fall 2005. The overall success ranged from 51% to 90% depending on the container type.

Approximately 300 weevils were released in an effort to test out biological control of weedy species such as Dalmatian Toadflax.

### ***Queen***

Re-graded approximately 50% of the Queen waste rock which has a footprint of 50 acres and approximately 300 ft in height. The waste rock is visible to the Salt Lake Valley and re-grading activities will resume in 2006. See drawing 454-T-0215

### ***Highland Boy***

The south west corner of the open pit, called the Highland Boy area, contains a number of older waste rock dumps located in Muddy Gulch, Log Fork, and Zelnora Gulch. These waste rock dumps were re-graded and cross ripped in 2004 in preparation for seeding in 2005. In fall 2005, the areas were hydroseeded with a native seed mix and organic fertilizer called Biosol®. Biosol® is a slow release fertilizer made from fungal biomass, which is generated by the fermentation of raw materials such as soybean and cottonseed meal. See drawing 454-T-0214.

## **MAGNA TAILINGS IMPOUNDMENT**

### ***Magna Tailings***

First time reclamation was performed on 562 acres. These areas were largely confined to reclamation area 3D and 5E in addition to a number of roads that are no longer in use. See attached drawings ("2005 Year End Tailings Reclamation: First Time Seed and Re-Seed" and "2005 Year End Tailings Reclamation: Bio-Solids and Limestone Amendments").

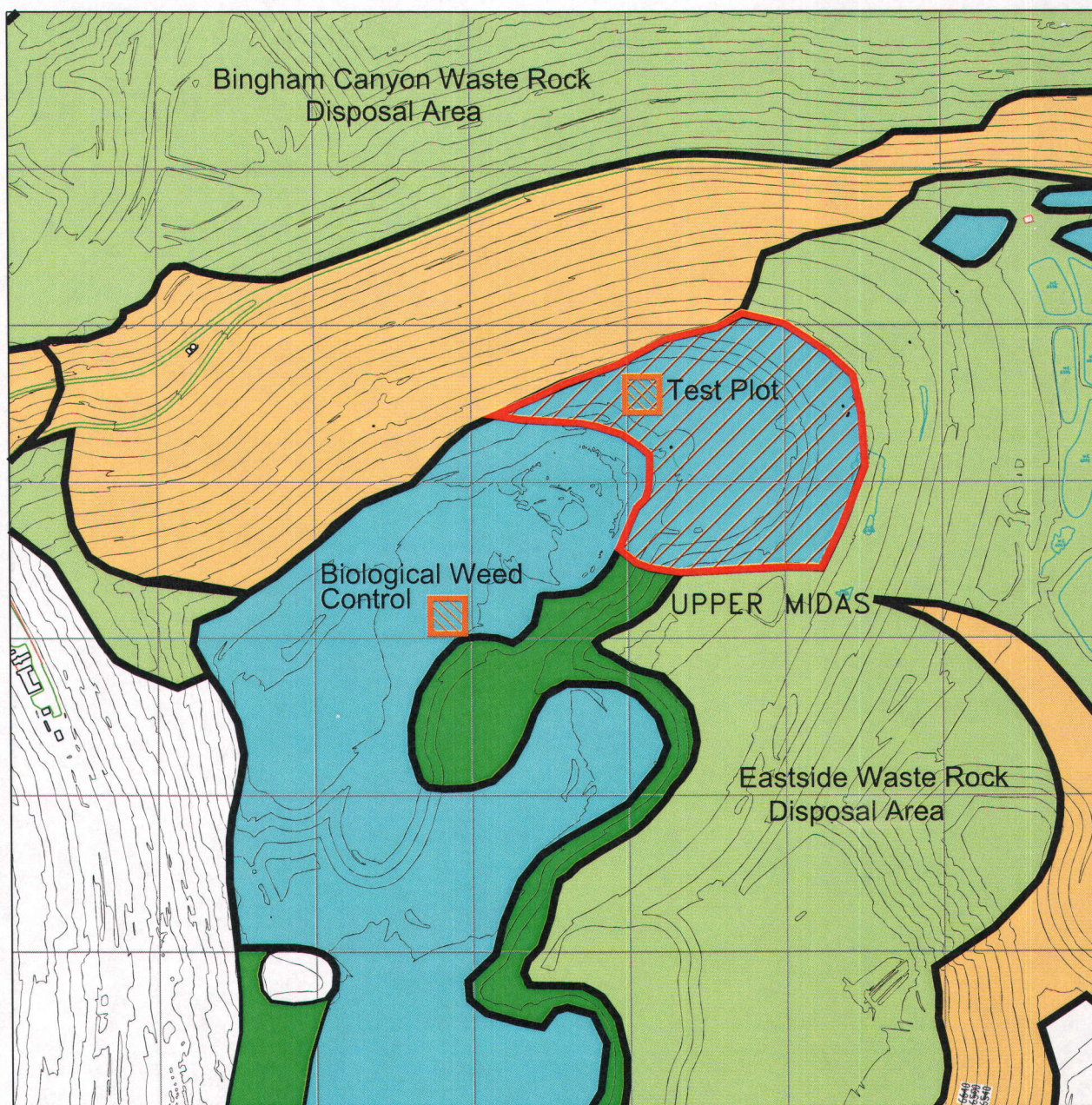
*Reclamation activities were also performed on an additional 666 acres on the tailings in 2005, however these areas were previously vegetated areas that had limited success and had to be re-seeded.*







## **DEMOLITION**

### ***Historic Facilities***

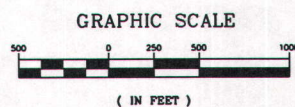
Demolition activities occurred at two historic facilities within the permit boundary: The Bonneville Crusher and the Precipitation Plant. At both facilities all buildings no longer in use were removed. Both sites will be prepared for seeding in 2006.





-  Areas that have been completed
-  Completed reclamation in 2005 (Planted Seedlings over ~50 ac.)
-  2005 Experimental Technology (Biological Control for Dalmation Toadflax and Test Plot)
-  Areas to be recontoured (Portions may be revegetated depending on results of closure soil geochemistry survey.)
-  Areas to be recontoured and revegetated
-  Areas where no further action is currently planned

(Refer to 454-T-0027 for Full Scale Drawing)

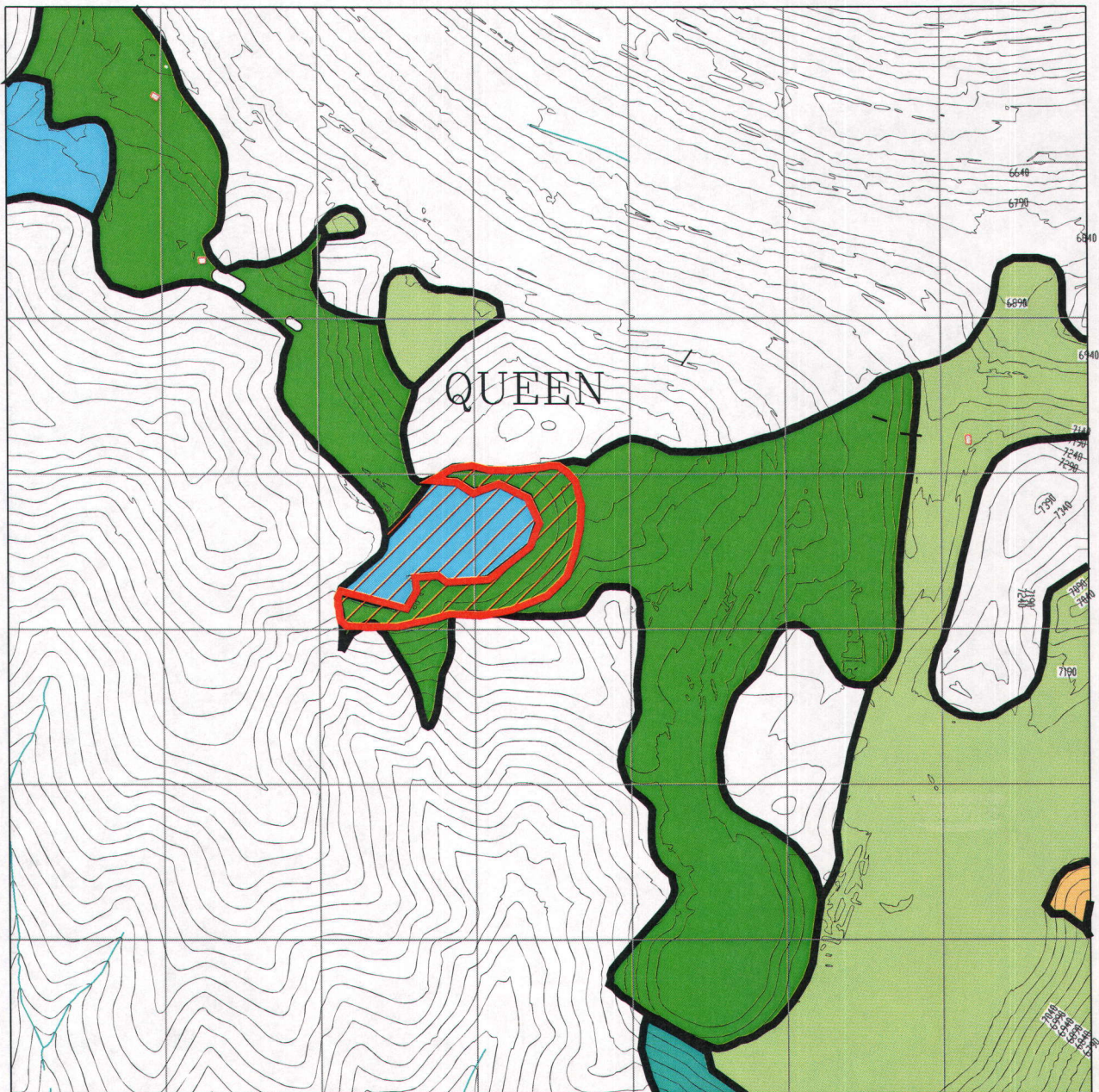


STRATEGIC RESOURCES GROUP	
SCALE: 1"=1000'	DATE
DESIGNED BY VP	1/06
DRAWN BY JLI	1/06
CHECKED BY	
PROJECT ENGINEER	
PROJECT MANAGER	

**KENNECOTT  
UTAH COPPER**  
2005 YEAR END  
RECLAMATION:  
UPPER MIDAS

Job No. ---	Dwg. No. 454-T-0216	REV
-------------	---------------------	-----





Regraded Queen Waste Rock  
(Aprox ~50% Complete)



Areas that have been completed.



Areas to be recontoured. (Portions may be revegetated depending on results of closure soil geochemistry survey.)



Areas to be recontoured and revegetated.



Areas to undergo slope stabilization study  
(Angle of repose slopes in tributary drainages to Butterfield Creek) (~200ac.)

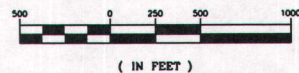


Areas where no further action is currently planned.

Refer to 454-T-0027 for Full Scale Drawing



GRAPHIC SCALE



( IN FEET )

STRATEGIC RESOURCES  
GROUP

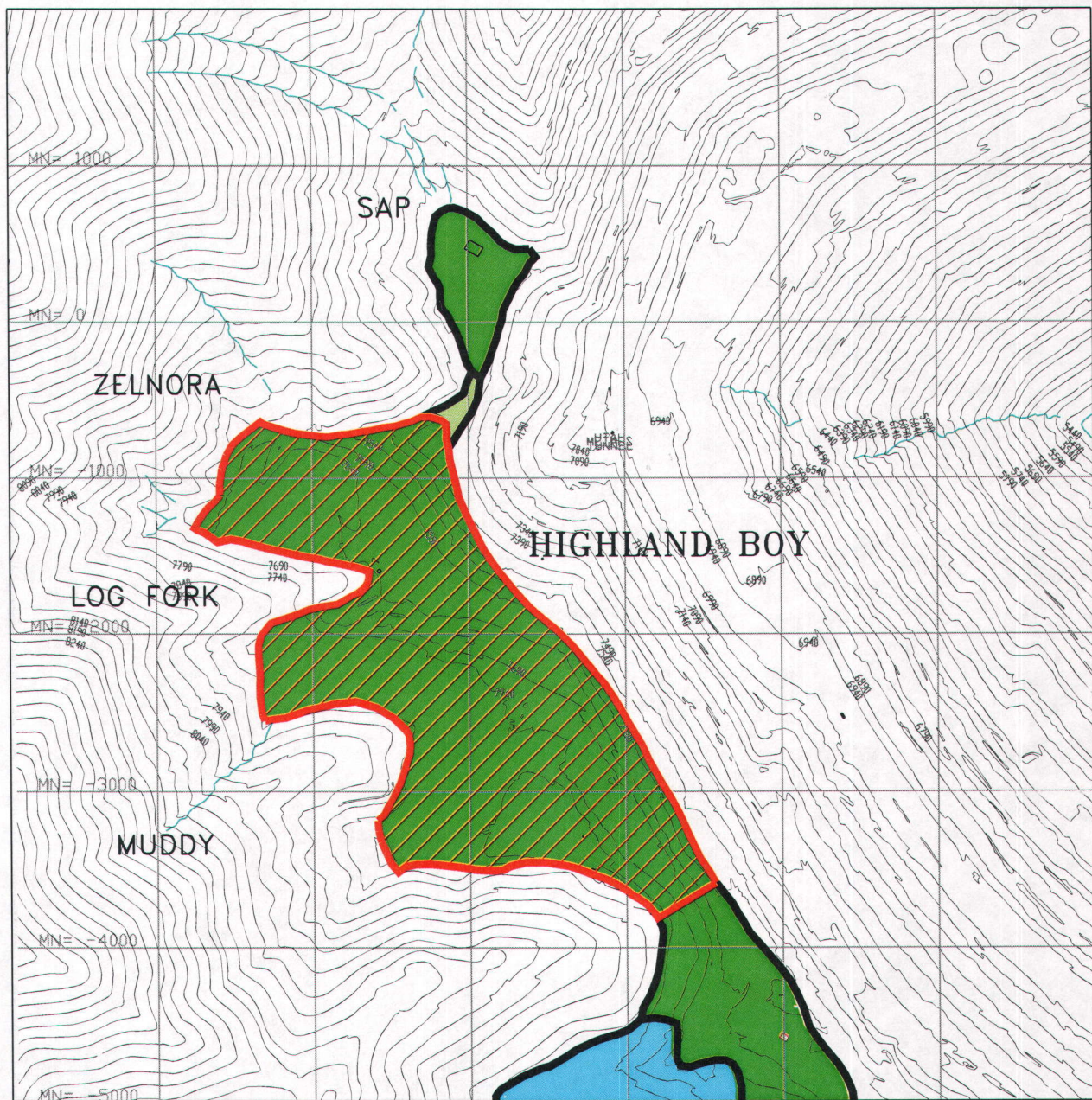
SCALE: 1" = 1000'	DATE
DESIGNED BY VP	1/06
DRAWN BY JI	1/06
CHECKED BY	
PROJECT ENGINEER	
PROJECT MANAGER	

KENNECOTT  
UTAH COPPER  
2005 YEAR END  
RECLAMATION:  
QUEEN WASTE ROCK

Job No. --- Dwg. No. 454-T-0215

REV  
DATE





Areas that have been completed.



2005 Reclamation Experimental Technology  
(Organic fertilizer Biosoil and Native seed ~50AC)



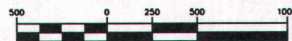
Areas to be recontoured (Portions may be  
revegetated depending on results of closure  
soil geochemistry survey.)



Areas to be recontoured and revegetated.

(Refer to 454-T-0027 for Full Scale Drawing)

GRAPHIC SCALE



( IN FEET )



#### STRATEGIC RESOURCES GROUP

SCALE: 1"=1000'	DATE
DESIGNED BY VP	1/06
DRAWN BY JLI	1/06
CHECKED BY	
PROJECT ENGINEER	
PROJECT MANAGER	

**KENNECOTT  
UTAH COPPER**  
2005 YEAR END  
RECLAMATION:  
HIGHLAND BOY  
WASTE ROCK

Job No. ---

Dwg. No. 454-T-0214

REV  
BY





**ANSWERS**

1. **THE LAMB** (PETERSON) **THE CHURCH** (BROWN) **THE MONASTERY** (BROWN)
2. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
3. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
4. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
5. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
6. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
7. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
8. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
9. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)
10. **THE MONASTERY** (BROWN) **THE CHURCH** (BROWN) **THE LAMB** (PETERSON)

Kennecott North Tailings  
Survey Department

## 2005 YEAR END TAILINGS RECLAMATION:

# FIRST TIME SEED AND RE-SEED

NORTH

JAN.20,2006

C:\DESKTOP

SIZE	FSCM NO.
------	----------

DWG NO.

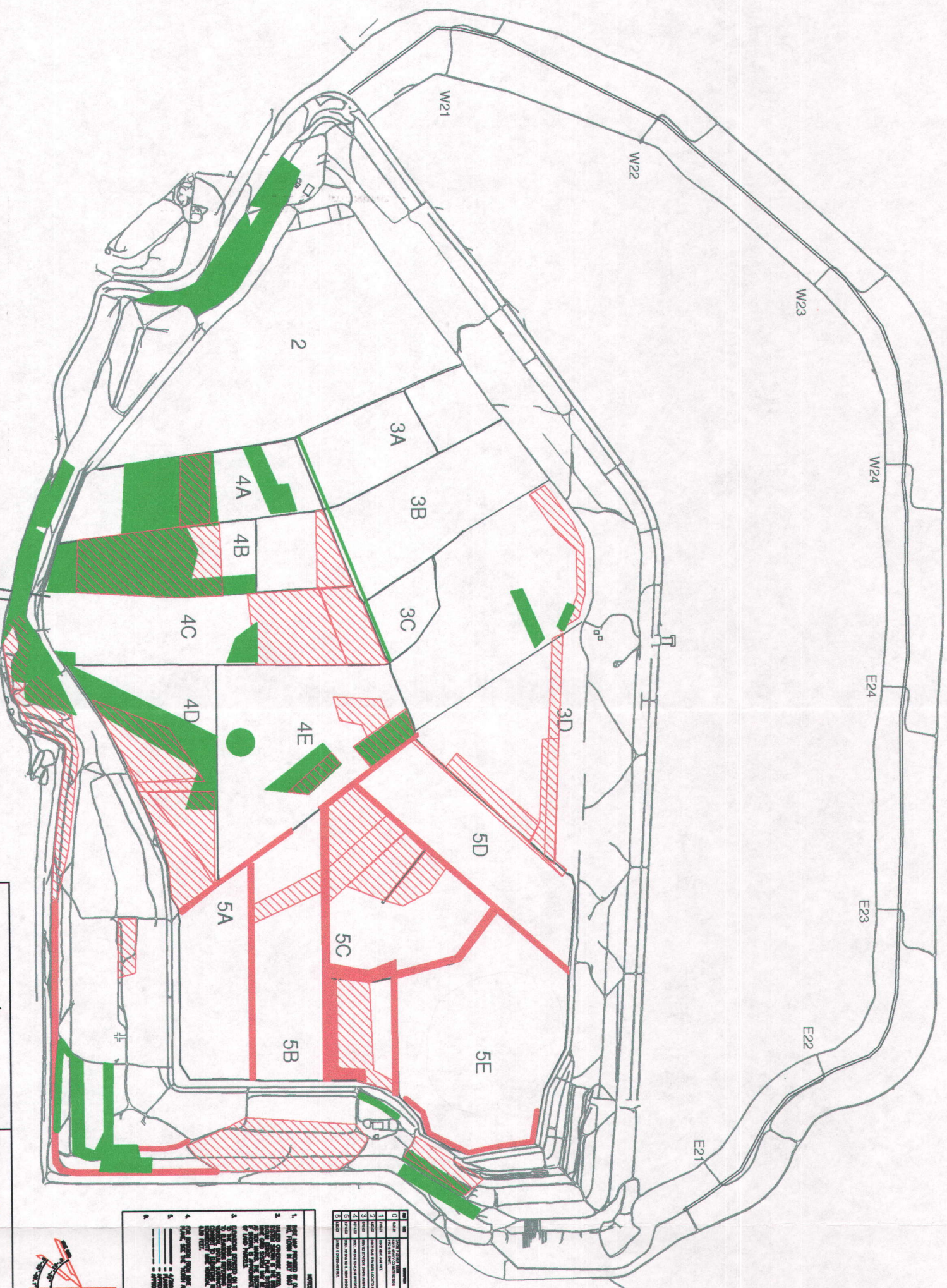
2005 END SEED AMENDDUST.dwg

REV

SCALE NTS STEVE LEE

SHEET





1. SITE PLAN, 2005 YEAR END TAILINGS RECLAMATION, BIO - SOLIDS AND LIMESTONE AMENDMENTS
2. SCALE: 1" = 100'
3. DATE: JAN. 20, 2006
4. DRAWN BY: C. DESKTOP
5. CHECKED BY: STEVE LEE
6. APPROVED BY: [Signature]

**Kennecott North Tailings**  
**Survey Department**

2005 YEAR END TAILINGS RECLAMATION:  
BIO - SOLIDS AND LIMESTONE AMENDMENTS

NORTH		BIO - SOLIDS AND LIMES   ONE AMENDMENT 1'S		
JAN. 20, 2006	SIZE	FSCM. NO.	DWG. NO.	REV
			2005 END AMENDDUST.dwg	
C:DESKTOP	SCALE	NTS	STEVE LEE	SHEET



# **ATTACHMENT B**

Upcoming (2006) Reclamation Plans



The following is a brief description of reclamation plans for the upcoming year (2006) within the permit boundary (M/035/002).

## **WASTE ROCK**

### ***Queen Dump***

Continue to re-grade, contour and cross rip in preparation for seeding in 2007.

### ***Lower Canyon***

Re-grading of the Lower Bingham Canyon dump face will start in mid-2006. This is a longer term project that will span 2-3 years and will include haulage and stockpiling of growth media, re-grading into a natural looking landform, capping the final re-graded surface with growth media, seeding and planting seedlings.

### ***Upper Midas***

A test plot will be established to test VAM-Gro, a growth media to promote mycorrhizae that will help to increase seedling survival rates, tolerance to moisture stress and growth rate. Test plot seedlings will include Utah Service Berry, Curl Leaf Mountain Mahogany, Quaking Aspen and Common Chokecherry.

In addition, 4000 Curl Leaf Mountain Mahogany and Big Mountain Sagebrush seedlings have been ordered and will be planted on various waste rock dumps during spring and fall 2006.

## **MAGNA TAILING IMPOUNDMENT**

### ***Magna Tailings***

In 2006 reclamation approximately 540 acres of the impoundment will be seeded (first time and re-seed). The actual acreage that will be seeded is unknown at this time as many areas remain saturated.

## **DEMOLITION**

### ***Historic Facilities***

Finalize demolition activities, add clean fill and seed former Bonneville Crusher and Precipitation Plant sites with a native seed mix.

The planned reclamation activities listed in this report are preliminary and may change. The 2006 Reclamation Activities Plan is being prepared and will be submitted to the Division of Oil, Gas and Mining by February 27, 2006.